

Message Text

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FM SECSTATE WASHDC
TO AMEMBASSY PRAGUE IMMEDIATE

C O N F I D E N T I A L STATE 017916

E.O. 11652: GDS

TAGS: PFOR, CZ

SUBJECT: ANNUAL POLICY ASSESSMENT

REF: 75 STATE 289641, 75 STATE 291794

1. AS THE EMBASSY IS AWARE, THE ANNUAL POLICY ASSESSMENT FOR CZECHOSLOVAKIA IS DUE FEBRUARY 1. IN ORDER TO ASSIST YOU IN DETERMINING WHICH ISSUES TO TREAT IN YOUR ASSESSMENT, THE DEPARTMENT OFFERS THE FOLLOWING THOUGHTS ON WHICH ELEMENTS YOU MIGHT USEFULLY ADDRESS IN YOUR ANALYSIS. THIS IS BY NO MEANS ALL INCLUSIVE, AND SOME OF THESE SUBJECTS MIGHT BE CONSIDERED TANGENTIAL. THE EMBASSY SHOULD FEEL FREE TO TAKE ISSUE WITH OUR IMPLICIT ASSUMPTIONS OR GO BEYOND THE POINTS WE HAVE LISTED.

2. BILATERAL RELATIONS: AT THIS TIME WE ARE NOT IN A POSITION TO PREDICT THE OUTCOME OF THE LAWSUIT IN US DISTRICT COURT SEEKING TO LIQUIDATE THE TRIPARTITE COMMISSION HELD GOLD EARMARKED FOR CZECHOSLOVAKIA. WE
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PROPOSE, THEREFORE, THAT YOU MAKE SEPARATE ASSESSMENTS

OF OUR BILATERAL RELATIONS BASED ON TWO SCENARIOS: FIRST, ASSUME THAT THE LAWSUIT IS NOT RESOLVED AND THAT THE CASE REMAINS BEFORE THE COURTS FOR MUCH OF THE YEAR. SECOND, ASSUME A FAVORABLE RESOLUTION OF THE SUIT IN THE

NEAR FUTURE AND THAT WE ARE ABLE TO PRESENT THE CZECHS WITH AN OPPORTUNITY TO RENEGOTIATE. UNDER BOTH SETS OF CIRCUMSTANCES, HOW CAN WE BEST SERVE US INTERESTS IN PROCEEDING WITH OUR RELATIONS WITH CZECHOSLOVAKIA? WHAT INITIATIVES CAN WE OR SHOULD WE TAKE WITH THE CZECHS? YOU SHOULD NOT ONLY ADDRESS THE PROSPECTS DURING THE COMING YEAR FOR A CULTURAL/SCIENTIFIC EXCHANGES AGREEMENT, FOR CZECH RATIFICATION OF THE CONSULAR CONVENTION, FOR TRADE EXPANSION, AND FOR A RESOLUTION OF THE PROBLEMS OF DIVIDED FAMILIES, JOURNALISTS' VISAS AND US PRESS TREATMENT, BUT YOU SHOULD ANALYZE THE ROLE EACH OF THESE ISSUES HAS IN OUR OVERALL SHORT- AND LONG-TERM POLICY OBJECTIVES TOWARD CZECHOSLOVAKIA. YOU MIGHT ALSO CONSIDER OUR BILATERAL RELATIONS AS THEY RELATE TO THE BROADER CSCE CONTEXT.

3. CZECHOSLOVAK FOREIGN POLICY: IT GOES WITHOUT SAYING THAT THE SOVIET-CZECH RELATIONSHIP WILL SHAPE CZECHOSLOVAKIA'S FOREIGN POLICY TOWARDS THE WEST, THE EAST AND THE THIRD WORLD. AT THE SAME TIME, IT IS NOT EASY TO DEFINE THIS RELATIONSHIP. CAN WE ASSUME THAT THE SOVIET-CZECH RELATIONSHIP IS AN EVOLVING ONE, WHICH MAY AT SOME POINT PERMIT CZECHOSLOVAKIA TO EXERT SOMEWHAT GREATER INDEPENDENCE IN ITS FOREIGN AND DOMESTIC POLICIES?

4. BEYOND SOME GENERAL AND, NECESSARILY, CONJECTURAL ASSESSMENT OF SOVIET-CZECH INTERACTION, POLICY DISAGREEMENTS WITHIN THE CZECHOSLOVAK LEADERSHIP, AND CZECH FOREIGN POLICY, THE EMBASSY MIGHT FOCUS SPECIFICALLY ON:

A) THE ECONOMIC AS WELL AS POLITICAL EFFECT OF RAW MATERIAL PRICE INCREASES ON CZECH-SOVIET RELATIONS, AND ON POSSIBLE CZECH ATTEMPTS TO SEEK CONFIDENTIAL

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ALTERNATIVE SOURCES ELSEWHERE, I.E, THE MIDEAST;
B) CZECH RESISTANCE TO OR COMPLIANCE WITH SOVIET PRESSURES TOWARDS ECONOMIC INTEGRATION, EITHER BILATERAL OR THROUGH CMEA;
C) CZECH VIEWS OF THE EUROPEAN COMMUNIST PARTY CONFERENCE, ESPECIALLY WITH REGARD TO THE APPARENT DESIRE OF SOME PARTIES TO INCLUDE ON THE AGENDA THE "CZECHOSLOVAK ISSUE;"

D) THE CZECH VIEW OF THE YUGOSLAV SITUATION.
DESPITE A PROFESSED DESIRE TO IMPROVE STATE TO
STATE RELATIONS, ARE THE CZECHS ENCOURAGING
PRO-SOVIET COMINFORMISTS? WOULD THERE BE VALUE IN
CONSULTING WITH PRAGUE ON BALKAN STABILITY?;
E) THE CZECH ATTEMPT TO PURSUE AN ACTIVE "PERSONALIZ
FOREIGN POLICY WITH THE WEST. DOES THIS
REFLECT AN ATTEMPT BY HUSAK AND CHNOUPEK TO ESTABLISH
SOME BASIS FOR A LIMITED DEGREE OF INDEPENDENCE FROM
MOSCOW, OR IS IT A MEANS TO IMPROVE CZECH STATURE IN
THE EYES OF ITS WARSAW PACT ALLIES?

5. GIVEN THE DEPARTMENT'S INCREASING CONCERN OVER OTHER
NATIONS' BEHAVIOR AT THE UN AND OTHER INTERNATIONAL FORA,
THE EMBASSY MIGHT ALSO FOCUS ON CZECHOSLOVAK ATTITUDES
ON CURRENT SIGNIFICANT INTERNATIONAL ISSUES, ON OUTSIDE
(READ SOVIET) CONSTRAINTS ON CZECHOSLOVAKIA'S
INTERNATIONAL BEHAVIOR, AND ON THE ROLE CZECHOSLOVAKIA'S
BEHAVIOR IN THE UN SHOULD PLAY IN OUR POLICY.

6. INTERNAL SCENE: OBVIOUSLY THE APRIL PARTY CONGRESS
AND THE FIVE-YEAR PLAN WILL LOOM LARGE IN YOUR ASSESS-
MENT. SOME OF THE BASIC ELEMENTS UNDER THIS RUBRIC
WOULD BE:

(A) POLITICAL: WHAT ARE HUSAK'S PROSPECTS VIS-A-VIS
THE STRENGTH AND UNITY OF THE HARDLINERS? ARE THERE
SIGNS OF LOW- AND MID-LEVEL GOVT/PARTY RESISTANCE
TO REFORM, INNOVATION AND TO THE "READMISSION
TO RESPECTABILITY" OF 1968 ACTIVISTS WHO ARE
WILLING TO RECALL? CAN WE EXPECT POLICY CHANGES
WHICH WOULD REFLECT INTERNAL LOOSENING-UP?

(B) THE ECONOMY: HOW DO YOU SEE THE OVERALL
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ECONOMIC PICTURE? WHAT POLITICAL EFFECTS WILL
APPARENTLY INCREASING DEPENDENCY ON THE USSR
HAVE? ARE THE SOVIETS SUBSIDIZING OR MILKING
CZECHOSLOVAKIA? HAS THE CZECH ECONOMY IMPROVED
OVER THE LAST YEAR? THE EMBASSY MIGHT ATTEMPT TO
ANSWER WHETHER THE VAST MAJORITY OF THE POPULATION,
REPUTEDLY APATHETIC AND UNRESPONSIVE TO EXHORTATION
TO PRODUCE, MAY BE BECOMING MORE ENTHUSIASTICALLY
INVOLVED IN ECONOMIC ACTIVITY, WHILE REMAINING
RELUCTANTLY RESIGNED TO THE POLITICAL SITUATION.
(C) CZECH-SLOVAK DIFFERENCES: CAN WE EXPECT THESE
TO GROW? WHAT EFFECT WILL THEY HAVE ON HUSAK, AND
HIS ECONOMIC RESOURCE ALLOCATION POLICIES?
WE WOULD ALSO BE INTERESTED IN THE PROSPECTS FOR
FACTIONALISM IN THE SLOVAK PARTY AS IT AFFECTS

HUSAK'S SLOVAK PARTY BASE.

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